

## Message Text

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ACTION ARA-10

INFO OCT-01 EUR-12 IO-13 ISO-00 EA-07 FEA-01 ERDA-05  
AID-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-08  
FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05  
OMB-01 PM-04 USIA-06 OES-06 SP-02 SS-15 STR-04  
TRSE-00 ACDA-07 NRC-05 PA-01 PRS-01 ARAE-00 /137 W  
-----132101Z 059354 /63

P R 131929Z APR 77  
FM AMEMBASSY BRASILIA  
TO SECSTATE WASHDC PRIORITY 1065  
INFO AMEMBASSY BONN PRIORITY  
AMEMBASSY BUENOS AIRES  
AMEMBASSY PARIS  
AMEMBASSY LONDON  
AMEMBASSY THE HAGUE  
AMEMBASSY/USMISSION IAEA VIENNA 235  
USMISSION EC BRUSSELS  
AMCONSUL RIO DE JANEIRO  
AMCONSUL SAO PAULO

LIMITED OFFICIAL USE SECTION 1 OF 2 BRASILIA 2929

EO 11652 GDS  
TAGS TECH ENRG PARM BR GW  
SUBJECT: BRAZILIAN PRESS REACTION TO GERMAN DECISION ON NUCLEAR  
TECHNOLOGY TRANSFER

1. SUMMARY. THIS TELEGRAM SUMMARIEZES SUBSTANTIVE BRAZILIAN  
PRESS COMMENT ON THE GERMAN DECISION TO LICENSE EXPORT OF  
THE BLUEPRINTS FOR REPROCESSING ENRICHMENT FACILITIES. END SUMMARY.

2. MAJOR BRAZILIAN PAPERS REPORTED GERMAN DECISION TO  
ISSUE LICENSES FACTUALLY AND SOBERLY. THERE WAS ELATION  
BUT NO GLOATING. PAPERS NOTED THAT GERMAN ANNOUNCEMENT  
CAME ONE DAY AFTER PRESIDENT'S NUCLEAR POLICY STATEMENT  
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AND STRESSED FRENCH, JAPANESE, AND GERMAN DETERMINATION  
TO GO AHEAD WITH BREEDER REACTOR DEVELOPMENT AND  
REPROCESSING PLANS. WITH ONE NOTABLE AND IMPORTANT  
EXCEPTION, THERE HAS BEEN LITTLE EDITORIAL COMMENT ON THE  
GERMAN DECISION, PROBABLY BECAUSE OF THE EASTER VACATION AND  
INTERNAL POLITICAL EVENTS AS WELL AS GUIDANCE FROM THE GOB.

3. ACCORDING TO JORNAL DO BRASIL, APRIL 10, THE FOREIGN MINISTRY SPOKESMAN CATEGORICALLY REFUSED TO COMMENT ON THE GERMAN DECISION. THE PAPER CLAIMS THE GOB HAS BEEN AWARE OF THE ISSUANCE OF THE EXPORT LICENSES SINCE APRIL 5. THE FOREIGN MINISTRY WISHED TO TREAT THE DELIVERY OF THE BLUEPRINTS IN THE MOST NORMAL MANNER POSSIBLE. THE NEXT ROUND WOULD OCCUR THE LAST WEEK OF THIS MONTH, DURING A CONFERENCE OF THE NUCLEAR NATIONS, AND THE RESULT OF THE NEGOTIATIONS THERE WOULD CAST "SHADOWS OR RAYS OF LIGHT" OVER THE MEETING OF CHIEFS OF STATE IN LONDON. THE PAPER'S WASHINGTON CORRESPONDENT, SPINOLA, NOTED THAT THE PRELIMINARY LICENSES INVOLVE ITEMS OPENLY AVAILABLE ON THE WORLD MARKET, ACCORDING TO THE INFORMATION FURNISHED BY THE SCHMIDT GOVERNMENT TO US AUTHORITIES.

4. UNDER THE HEADLINE "ACCORDING TO THE US, BONN COULD STILL PULL BACK", O ESTADO DE SAO PAULO, APRIL 10, CARRIED TEXT OF DEPARTMENT'S COMMENTS. ACCORDING TO THE ARTICLE, A HIGH DEPARTMENT OFFICIAL AT A LUNCHEON FOR JOURNALISTS APRIL 8, HAD SAID DEPUTY SECRETARY CHRISTOPHER WAS STILL DISCUSSING THE SUBJECT WITH THE FRG; THAT COMPENSATION TO BRAZIL WAS THE CENTRAL POINT AT ISSUE; AND THAT THE USG UNDERSTOOD THE ENERGY PROBLEM CONFRONTING BRAZIL AND WAS STUDYING FORMS OF COOPERATING IN MEETING ITS NEEDS. IN INFORMING THE USG OF THE DECISION LAST TUESDAY, THE PAPER SAYS, THE FRG HAD ONCE AGAIN MADE CLEAR THAT THESE INITIAL LICENSES WERE NOT FUNDAMENTAL SINCE THEY COVERED ONLY INFORMATION ALREADY AVAILABLE IN THE SPECIALIZED LITERATURE.

4. UNDER THE HEADLINE "THE ACCORD HAS BEEN STRENGTHENED," O ESTADO, ALSO APRIL 10, REPORTED FROM BONN THAT THE GERMAN LIMITED OFFICIAL USE

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GOVERNMENT HAD, IN A PRACTICAL FASHION, CONFIRMED ITS INTENTION TO ACCOMPLISH ALL THE ITEMS OF THE BILATERAL AGREEMENT. THE DECISION HAD SURPRISED

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TRSE-00 ACDA-07 NRC-05 PA-01 PRS-01 ARAE-00 /137 W  
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P R 131929Z APR 77  
FM AMEMBASSY BRASILIA  
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AMEMBASSY/USMISSION IAEA VIENNA 236  
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AMCONSUL SAO PAULO

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OBSERVERS WHO HAD EXPECTED IT ONLY AFTER THE  
LONDON SUMMIT MEETING. THE PAPER ALSO QUOTES A STATEMENT BY  
THE GERMAN EMBASSY TO THE EFFECT THAT THE GERMAN  
GOVERNMENT HAD NEVER VACILLATED IN ITS INTENTION TO  
CARRY OUT THE AGREEMENT FULLY. CRITICISM THAT THE TIMETABLE  
HAD BEEN DELAYED WAS NOT CORRECT; THE PERIODS FORESEEN FOR THE  
VARIOUS STAGES WERE FLEXIBLE. DIPLOMATIC CIRCLES IN BRASILIA,  
THE PAPER SAYS, WERE POINTING TO THE RELEASE OF THE PLANS AS ONE  
MORE INDICATION THAT PRESIDENT CARTER WAS MODIFYING HIS POLICY OF  
PRESSURE TOWARD BRAZIL. "IN TERMS OF NUCLEAR PROLIFERATION,  
THE SOVIET ATTITUDE OF OUTRIGHT REFUSING US PROPOSALS SHOULD  
HAVE HELPED MAKE THE US PRESIDENT UNDERSTAND THAT OPEN DIPLOMACY  
DOES NOT ALWAYS YIELD THE BEST RESULTS."  
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6. VEJA, BRAZIL'S WEEKLY NEWS MAGAZINE, COMMENTING ON THE ARGUMENT  
THAT THE GERMAN DECISION WAS NOT VERY IMPORTANT, BECAUSE FIRST GERMAN  
EXPORTS WILL CONSIST OF OPENLY AVAILABLE MATERIAL, FOUND IT  
A "DEBATABLE" THESIS; IN THE JOURNAL'S VIEW THE GERMAN DECISION  
MAY AT LEAST REPRESENT THE FIRST LINE OF THE LAST CHAPTER IN  
THE STORY ABOUT THE NUCLEAR AGREEMENT.

7. SOME OF THE PAPERS SPECULATED ON WHY THE FRG HAD TAKEN ITS  
DECISION AT THIS TIME. VEJA, FOR EXAMPLE, SAW THE FRG DECISION (A)  
AS A RESPONSE TO US DELAYS IN FURNISHING HIGHLY ENRICHED URANIUM  
FOR GERMAN REACTORS, AND (B) AS TAKING ADVANTAGE OF THE DIFFICULTIES  
FACING THE CARTER ADMINISTRATION IN VARIOUS FOREIGN POLICY FIELDS,  
INCLUDING THE "FAILURE" OF SECRETARY VANCE'S MISSION TO MOSCOW  
AND THE CONSEQUENT UNWILLINGNESS OF THE US TO EXACERBATE DIVERGENCES

WITH THE FRG. O ESTADO'S WASHINGTON CORRESPONDENT, SERGIO MOTTA MELLO, REPORTED THAT SCHMIDT COULD NOT HAVE CEDED ON THE BRAZILIAN-GERMAN AGREEMENT FOR THIS WOULD "OPEN THE FRG'S FLANKS" TO AN ATTACK BY PRESIDENT CARTER ON GERMANY'S FAST BREEDER PROGRAM. MELLO ASSERTED THAT THE BREEDER IS VIEWED IN WEST GERMANY AS A LARGER OBJECTIVE THAN THE BRAZILIAN-GERMAN AGREEMENT. MELLO OBSERVED, HOWEVER, THAT IT WAS NOT CLEAR HOW THE FRG PLANS TO RESIST US PRESSURES SINCE THE US SUPPLIES ENRICHED URANIUM TO GERMAN REACTORS.

8. ARGENTINA. A JORNAL DE BRASIL STORY ON APRIL 11 MADE THE POINT THAT PRESIDENT CARTER'S NUCLEAR RESTRICTIONS DO NOT AFFECT ARGENTINA, WHICH ALREADY HAS THE TECHNOLOGY AND NATURAL RESOURCES TO MAKE NUCLEAR REACTOR FUEL, ALTHOUGH ARGENTINA IS NOT YET SELF-SUFFICIENT IN PRODUCING IT.

9. EDITORIALS. AS OF MONEY, APRIL 11, ONLY ONE OF BRAZIL'S MAJOR DAILIES FOLHA DE SAO PAULO, HAD COMMENTED EDITORIALY ON THE FRG DECISION. FOLHA CLAIMS INDICATIONS FROM THE FRG THAT THE SOLUTION OF THE CONTROVERSY WITH THE US WOULD BE HELPED BY A NEW BRAZILIAN ATTITUDE, "REGARDING THE CONTROL OF ARMS PROLIFERATION OR THE INTERNATIONALIZATION OR REGIONALIZATION OF FACILITIES." LIMITED OFFICIAL USE

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WHAT IS INSINUATED IN BONN, THE PAPER CONTINUES, IS THE NEED FOR BRAZIL TO ATTENUATE ITS POSITION, NOT PUT THE DISCUSSION IN TERMS OF PRESTIGE AND SOVEREIGNTY, SO THAT BONN AND BRASILIA ARRIVE AT A CONSENSUS WITH RESPECT TO NEW SAFEGUARDS. AFTER BONN'S GESTURE OF CONFIDENCE, IT WAS FITTING THAT BRAZIL TAKE THE INITIATIVE. FOLHA COUNSELED THAT BRAZIL SHOULD ADOPT A POSITION OF FLEXIBILITY IN ORDER TO LEAVE CHANCELLOR SCHMIDT MORE MANEUVERING ROOM WITH PRESIDENT CARTER WHEN THEY MEET IN MAY. BRAZIL SHOULD TAKE THE INITIATIVE ON NON-PROLIFERATION SINCE ACCEPTING NEW SAFEGUARDS WOULD NOT PUT AT RISK BRAZIL'S ATOMIC POTENTIAL, PROVIDED THAT IT IS ASSURED AND GUARANTEED. BRAZIL DID NOT NEED THE BOMB, FOLHA COMMENTED, IN ORDER TO ENTER THE ELITE OF WORLD POWER--"WE WILL JOIN THE NUCLEAR CLUB BY OUR SIMPLE CAPACITY TO PRODUCE THE RAW MATERIAL FOR THE BOMB." THE NEW POSITION OF BRAZIL, SAID FOLHA, OUGHT TO "INDUCE US TO CHANGE OUR POSITION ABOUT ARMS DISSEMINATION: THE EFFECTIVE AND POTENTIAL POSSESSORS HAVE A COMMON INTEREST IN THE PRESERVATION OF A CERTAIN EXCLUSIVITY OF POWER."

10. COMMENT . OVER-ALL THE PRESS REPORTING HAS SO FAR BEEN BALANCED AND REMARKABLY FREE OF NATIONALISTIC RHETORIC. THE GOB'S POSTURE AND PRESUMED PRESS GUIDANCE WERE AN IMPORTANT CONTRIBUTING FACTOR. THE US REACTION STRESSING THE FRG DECISION DID NOT REPRESENT AN IRREVERSIBLE STEP WAS FULLY REPORTED (INCLUDING ITS ORIGINS IN GERMAN ASSURANCES). REPORTS FROM GERMAN SOURCES , ON THE OTHER HAND, STRESSED THE GERMAN INTENTION TO HONOR ITS COMMITMENTS AND THE POSITION THAT THE AGREEMENT WAS COMPATIBLE WITH NON-PROLIFERATION CONCERNS. THIS IMPRESSION OF GERMAN STEADFASTNESS WAS REINFORCED

BY LONG ARTICLES REPORTING THE EXTENSIVE SUPPORT FOR THE FRG  
FROM GERMAN INDUSTRY, AND LABOR AND THE OPPOSITION AS WELL AS  
GOVERNMENT PARTIES. THE REPORTING ALSO LEFT CLEAR, HOWEVER,  
THAT THE GOB AND THE FRG WOULD FACE FURTHER US INITIATIVES AND  
DEMARCHES, WHICH MAY HAVE CONTRIBUTED TO THE RESERVE IN BRAZILIAN  
TREATMENT OF THIS ISSUE.  
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## Message Attributes

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